

Message Text

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PAGE 01 TOKYO 13746 310807Z

ACTION EB-08

INFO OCT-01 EA-12 ISO-00 SP-02 ICA-20 AID-05 NSC-05
SS-15 STR-07 OMB-01 CEA-01 CIAE-00 COME-00 FRB-01
INR-10 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 PA-02
L-03 /108 W

-----021951 310809Z /10

P 310803Z JUL 78

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 0011

TREASURY/DEP WASHDC PRIORITY

UNCLAS TOKYO 13746

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJECT: RUMORS OF EXCHANGE CONTROL TIGHTENING

REF: TOKYO 04202

1. PRESS STORIES OVER THE WEEKEND REPORT THE MINISTRY OF FINANCE (MOF) AND BANK OF JAPAN (BOJ) ARE CONSIDERING TIGHTENING FOREIGN EXCHANGE CONTROLS TO STEM YEN SPECULATION. THE TWO MEASURES REPORTEDLY UNDER CONSIDERATION ARE (A) A BAN ON THE PAYMENT OF INTEREST ON FREE YEN ACCOUNTS, AND (B) SHORTENING USANCE PERIOD FOR CRUDE OIL IMPORTS.

2. EFFECTIVE MARCH 18 THE BOJ IMPOSED A 100 PCT MARGINAL RESERVE REQUIREMENT ON FREE YEN DEPOSITS. SUBSEQUENTLY SOME RUNOFF OF FREE YEN ACCOUNTS WAS REPORTED BUT, ACCORDING TO THE PRESS, THERE HAS AGAIN BEEN A BUILDUP OF FREE YEN ACCOUNTS IN LATE JULY AS THE FORWARD PREMIUM ON YEN HAS WIDENED TO ABOVE 6 PCT ANNUAL RATE FOR TWO AND THREE MONTH MATURITIES. REPORTS SUGGEST THAT SOME INTEREST IS STILL BEING PAID ON FREE YEN DEPOSITS, PRESUMABLY TO MAINTAIN BASE LEVELS OF THESE DEPOSITS. MANSFIELD
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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Film Number: D780312-1031
Format: TEL
From: TOKYO
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t1978071/aaaaabdo.tel
Line Count: 55
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8231c06a-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1843423
Secure: OPEN
Status: NATIVE
Subject: RUMORS OF EXCHANGE CONTROL TIGHTENING
TAGS: EFIN, JA
To: STATE TRSY
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/8231c06a-c288-dd11-92da-001cc4696bcc
Review Markings:
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